

2 July 1986

MEMORANDUM FOR THE RECORD

SUBJECT: Policy Group Meeting
23 June 1986

Attendees:

Office of Information Technology
Office of Information Technology
Office of General Counsel
Office of Finance
Marge Lincoln, Comptrollers Office
Office of Personnel
Office of Personnel
Office of Personnel
Office of Personnel

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Purpose: To bring the Policy Group members up to date on recent developments, secure their reaction to a draft list of tasks to be accomplished, and hear their views on policy issues and things that needed to be addressed.

1. The group was provided a brief synopsis of the first Working Group meeting on 19 June 1986 and advised that the next scheduled Working Group meeting would be held on 26 June 1986.

2. A milestone/tasking list (Strawhorse) was handed out to the group for their review and comments. Generally, the group's reaction was that the list was too broad and general. They recommended that the individual tasks be broken down further by the working group.

3. Some questions were raised regarding the timing of our submission of new regulations to the Committees and whether we can proceed with implementation activities pending their approval. Although draft regulations could go to the Hill later than October 1986, it would not buy us any time to do so. [] view was yes, we can proceed with implementation activities pending approval of our regulations.

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4. There was some discussion on questions raised by employees inquiring about their options prior to the new system being in place and operational. Two examples were: how do we handle employees who want to transfer from CIARDS into FERS to beat the mandatory retirement age of 60; and what do we do about employee requests to take advantage of the windfall tax provision.

[] advised that these employees could not expect the system to be set up immediately to administer these types of requests. The view was also expressed that we inform people of this windfall option.

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5. [] discussed what could be done to modify the existing payroll system by January 1987. He felt that the system could be modified to withhold the appropriate contributions, such as the 1% government contributions to the Thrift Plan. [] indicated that it would not be possible to develop an entirely new system and have it in place by the end of the year.

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6. The problem on how we will administer employees records who are integrated with State Department was raised. It was agreed that we would need information from State regarding how their system will operate. However, [] advised that information from State is both slow and unreliable.

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7. [] expressed the view that from a systems viewpoint it would be significantly easier to have employees designate percentages of salary as deductions versus employees designating dollar amounts. It would be extremely difficult for a system to account for what he termed "loose change" and compute the government's share of contributions. [] indicated that the law provided employees with both options, thus we must provide both.

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8. There were questions raised about whether information on Thrift Plan deductions should appear on payroll earnings statement or on a new type of statement. [] suggested that it be administered like Credit Union statements with quarterly and annual statements provided to employees. There was speculation that the Thrift Board may provide a computer package to keep track of deductions. The hope was expressed that the Thrift Board would be responsible for the tracking of monies contributed, etc.

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9. [] raised the issue of who would be responsible for maintaining records on people who transfer from our Agency to another or resign from government service. The discussion then moved to whether someone who left government could buy back into the Thrift upon re-entering government service. If so who would compute the amount and interest owed for the buyback?

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10. A policy question was raised regarding the transfer of CIARDS qualified employee into FERS to avoid mandatory retirement at age 60. The law as written seems to allow for such a transfer. The consensus of the group was that this action would be contrary to the intent of CIARDS. Suggestion was that a regulation be written to prohibit such action or to allow only under certain circumstances. [] advised there was no need to focus on this problem immediately.

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11. [] expressed opinion that there is no need to worry about retirements under FERS right away because there would not likely be a many retirements in the near future. [] raised the problem of death, disability and survivor benefit issues that would have to be dealt with after January 1, 1987. Consequently, it was necessary to deal with the new system now.

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12. There was some discussion regarding Social Security deductions and whether Social Security Administration (SSA) can keep track of records on offsets and compute supplements. [] indicated that SSA is not equipped to deal with a large number of classified cases through our cleared contact. The Agency may have to provide tapes to SSA which would pose a security problem as it would reveal identity of Agency employees. The Social Security Supplement applies only to benefits earned as a Federal employee. Thus, the Agency or SSA would need the information from OPM's files to compute the Social Security supplement earned at other Agencies.

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13. The members were asked to provide questions they would like to be posed to Jamie Cowen, who would be briefing [] on educational packages available on the new system.

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14. Members were advised that they would meet again following the next Working Group's meetings to discuss tasks and priorities.

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